WEEKLY ECONOMIC REVIEW

February 10, 2006

More Canadians were working (+26,300 jobs) as well as looking for work in January, causing the unemployment rate to increase to 6.6 per cent. Increases in oil and gas and public administration led the gains, while the manufacturing sector experienced large losses (-41,600). Alberta employment increased by 10,400 jobs, as strong energy prices continue to fuel the Alberta economy.

Alberta's unemployment rate fell to 3.5 per cent in January reaching a near twenty-five year low, with the Athabasca (2.3 per cent), Camrose (2.4 per cent) and Fort McMurray (3.8 per cent) regions experiencing extremely low unemployment rates. Wage pressures are mounting, with January's average hourly wage rate up 7.4 per cent from a year ago, over twice the pace of the national average.

Mild winter weather along with strong demand helped housing starts in both Canada and Alberta cruise into the new year, posting the highest starts for January in twenty seven years. December new house prices in Alberta jumped over 17 per cent from a year ago, contributing to a 7.1 per cent gain for 2005. Nationally, new house prices were up 5 per cent in 2005.

Cdn Dollar (C¢/US$)

Feb 10, 2006	86.6¢
Feb 3, 2006	87.2¢
2005-06 YTD	83.4¢

WTI Oil SUS/bbl

Feb 9, 2006	$62.62
Feb 2, 2006	$64.68
2005-06 YTD	$59.66

Nymex Natural Gas CS/mcf*

March Contract

Feb 10, 2006	$8.60
Feb 3, 2006	$9.58

*Estimate based on Nymex Futures Market Price

Canada's trade surplus soared to $7.69 billion in December, its highest level since 2001. For the year as a whole, the trade surplus totaled $66.7 billion, up slightly from last year. However, the U.S. trade deficit rose to a record US$725.8 billion in 2005, 17.5 per cent higher than the record of US$617.6 billion reached in 2004.

Oil prices declined this week as higher energy prices and mild winter weather in the United States lowered crude oil demand. Weaker commodity prices and manufacturing job losses lowered the loonie.

Economic Indicators Released this Week	Reference Period	Month/Previous Month	Month/Previous Year's Month	Year-to-date[1]
Housing Starts[2]	**January**			
Alberta	41,700	-2.3%	26.7%	n/a
Canada	247,900	1.5%	21.4%	n/a
Building Permits ($ millions)	**December**			
Alberta	1,053	11.0%	59.1%	40.8%
Canada	6,260	27.4%	24.8%	10.9%
Employment (January)	**Monthly Change**			
Alberta	+10,400	0.6%	2.2%	n/a
Canada	+26,300	0.2%	1.7%	n/a
Canadian International Trade ($ millions)	**December**			
Exports	41,320	3.9%	15.8%	5.7%
Imports	33,631	2.3%	7.8%	6.6%
Trade Balance	7,689	11.6%	72.5%	14.7%

Source: Canadian Mortgage and Housing Corporation and Statistics Canada

[1] Year-to-date 2005 compared to the same time period in 2004. For example: January-December 2005 versus January-December 2004

[2] Seasonally Adjusted at Annual Rates